GLASGOW CITY CENTRE

ECONOMIC HEALTHCHECK

Issue 1: August 2010

This is the first edition of Glasgow city centre's Economic Healthcheck: a quarterly progress report on how the city centre is performing on a range of indicators. Its objective is to track the impact of economic conditions on the city centre, and to provide a baseline from which future performance can be benchmarked. It is produced by the City Centre Initiatives Team in Glasgow City Council's Development and Regeneration Services, using data collected and analysed from a variety of identified sources.

The inclusion of specific indicators was assisted by city centre stakeholders, but the exercise has been limited by the availability of city centre data. The available information is generally presented in graph format with a brief analysis. Views are welcomed on additions, improvements etc.

Over the past year, Glasgow City Council has worked with Glasgow Chamber of Commerce and major city centre retail and leisure operators on an action plan for the principal retail district, branded "style mile". Publically launched in August 2009, the style mile is a public private partnership initiative to promote, protect and enhance Glasgow's city centre retail offering and capitalise on the area's designation as the UK's top retail destination outside London's West End.[1]

Glasgow city centre's style mile zone has some specific performance information collated. A map of the style mile can be found at the end of this document.

	Contents	**Page**

[1] CACI press release and full report can be found at http://www.caci.co.uk/492.aspx
Experian Definitive 2008 Retail Rankings http://press.experian.com/press_releases.cfm

1. FOOTFALL

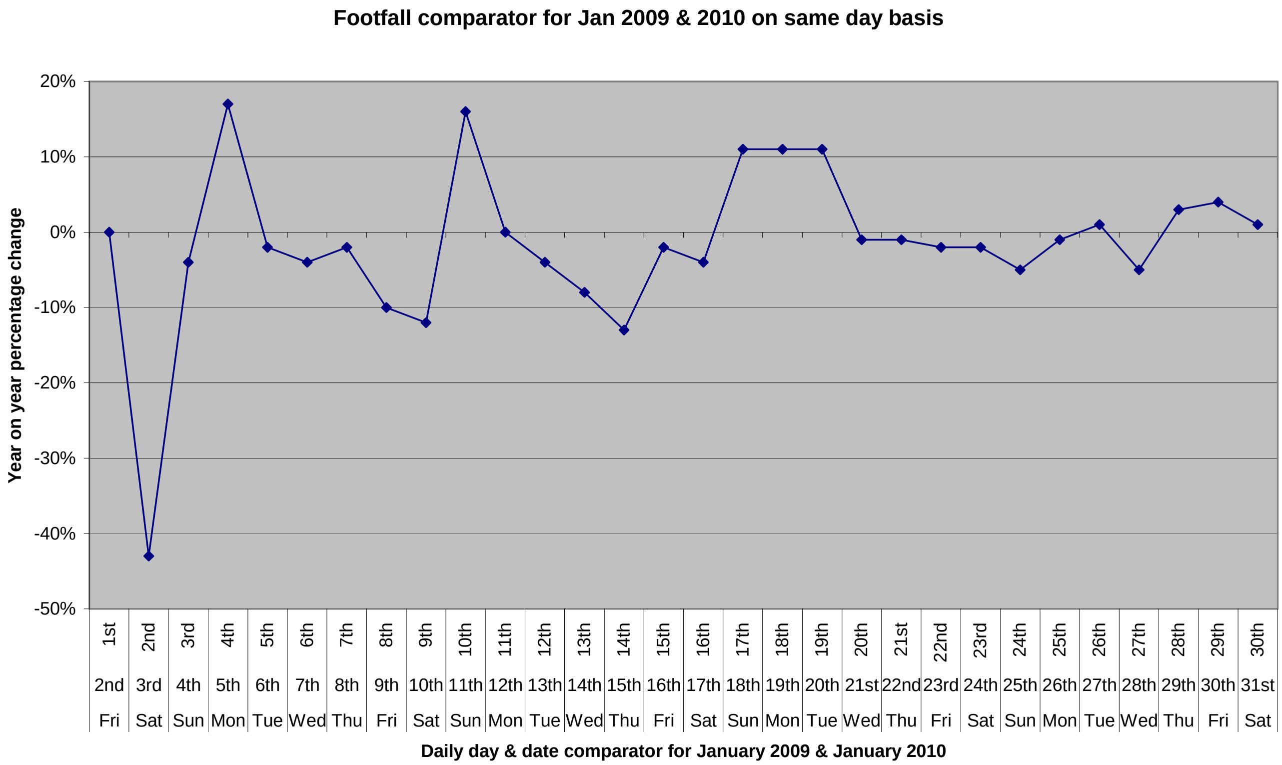
1.1 Daytime Footfall monitor: Quarter 4 (January – March 2009/2010)

The style mile footfall monitor is produced by Glasgow Chamber of Commerce to identify footfall trends in the style mile area and to provide information on general city centre activity for business planning and analysis.

Jan - Mar 2010

Table 1a compares average daily footfall changes across the style mile in January 2010 compared to the same day in January 2009, ensuring a like for like trend comparison.

Table 1a[2]: Daytime Footfall January



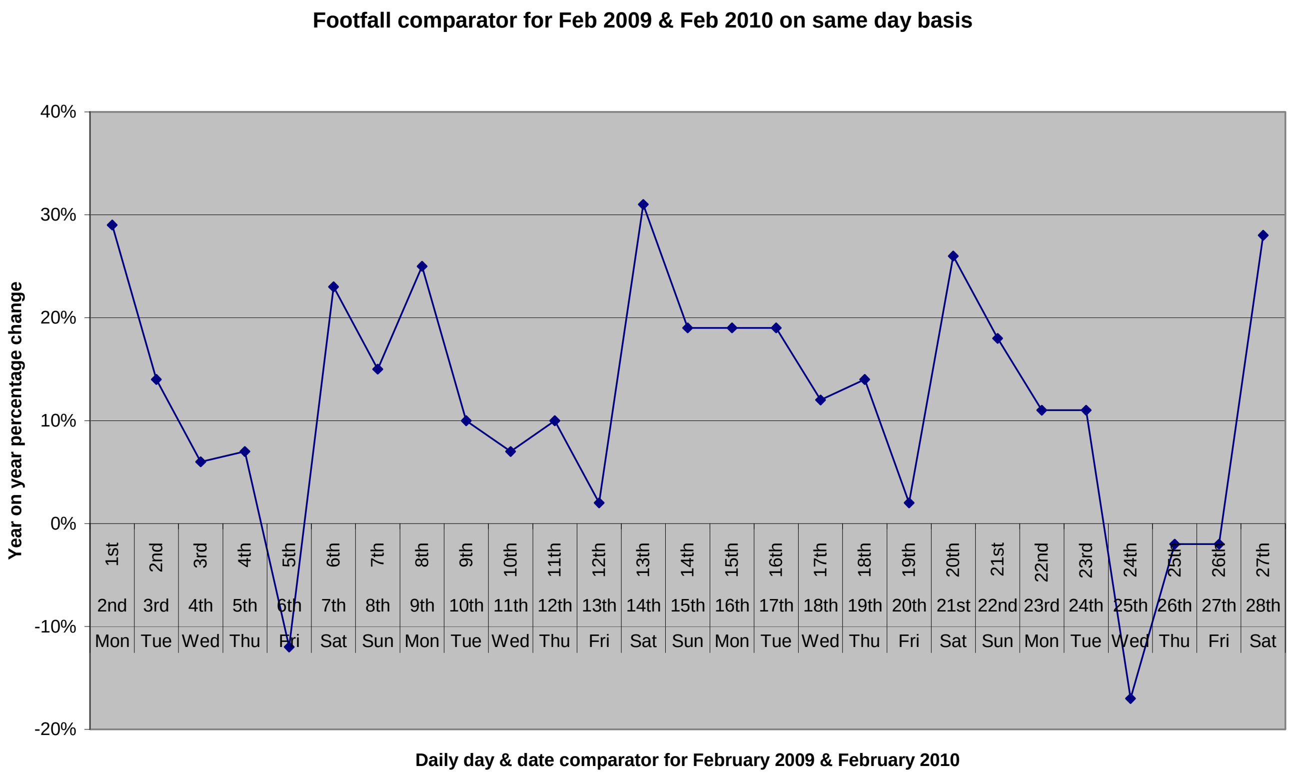
Key trends: January 2010

- Total average footfall for the style mile in January 2010 **fell by 4%** compared to January 2009
- Week of **17 January** saw improvement on 2009 with a **3% increase** in footfall over the week
- Biggest **reductions** in footfall on Saturday 2 January, Friday 8 January, Saturday 9 January and Thursday 14 January
- Strongest **improvements** in footfall on Monday 4 January and Sunday 10 January

[2] GCoC, January 2010

Table 1b compares average daily footfall changes across the style mile in February 2010 compared to the same day in February 2009, ensuring a like for like trend comparison.

Table 1b[3]: Daytime Footfall February



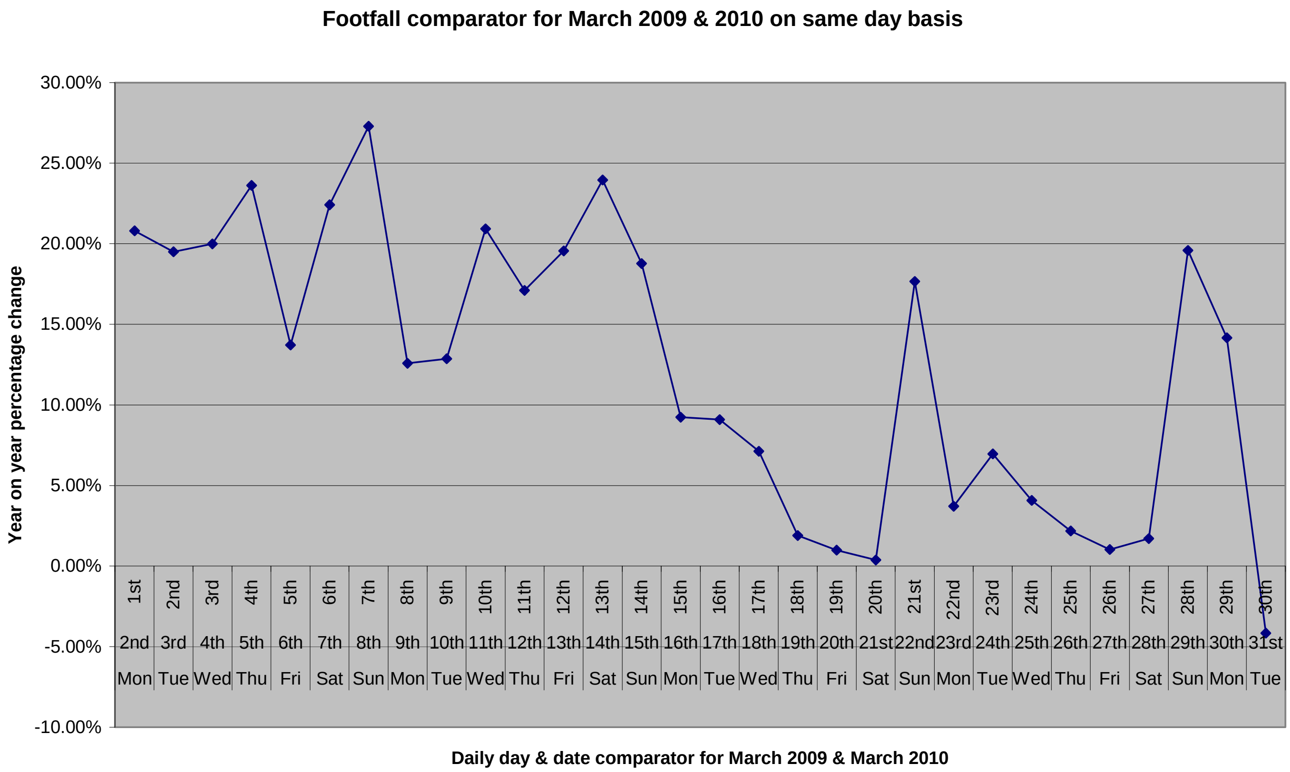
Key trends: February 2010

- Total average footfall for the style mile in February 2010 **increased by 13%** compared to February 2009
- The middle 2 weeks of February appeared **strongest** in the month, with 15% increases on the previous year
- Biggest **reductions** in footfall were seen on Friday 5th and during the last week of the month from Wednesday 24th to Friday 26th
- Strongest **improvements** in footfall on Monday 1st, Saturday 13th and Saturday 27th

[3] Ibid

Table 1c compares average daily footfall changes across the style mile in March 2010 compared to the same day in March 2009, ensuring a like for like trend comparison.

Table 1c[4]: Daytime Footfall March



Key Trends: March 2010

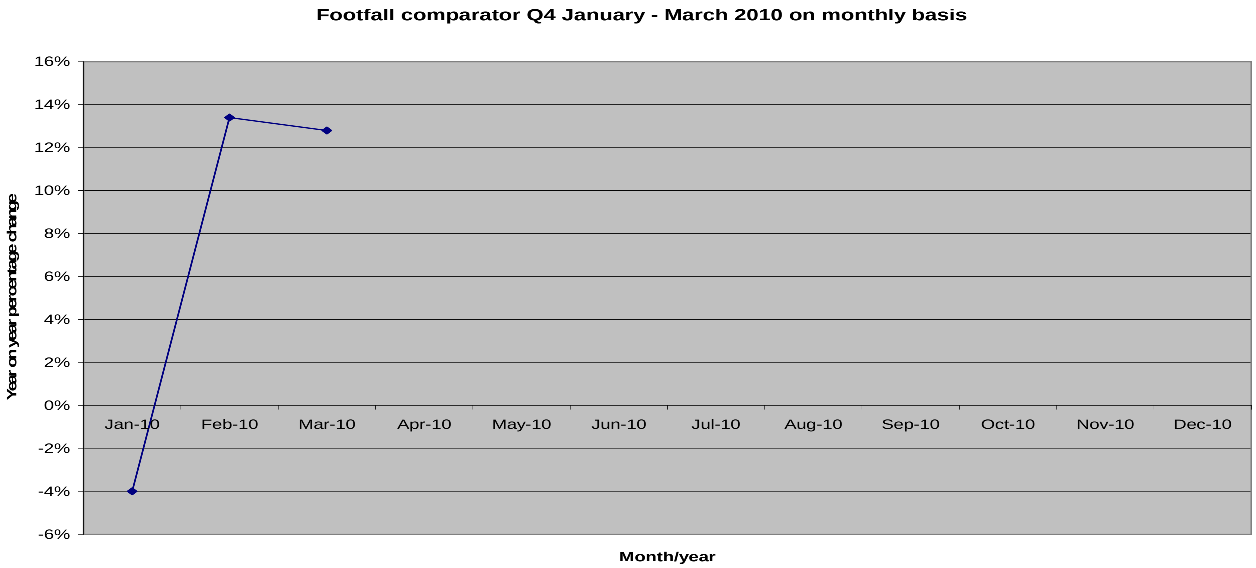
- the impact of the St Enoch centre redevelopment should be recognised when viewing figures
- total average daily footfall for the style mile in March 2010 **increased 13%** compared to March 2009
- the **first two weeks of March appeared strongest**, increasing by 21% and 19% respectively. This trend is in line with the Retail Week UK national footfall monitor where the first two weeks also saw greatest improvements in the month
- the **second two weeks saw growth slow** and this was also in line with the Retail Week monitor. Likely due to the worsening weather conditions in the second half of the month

[4] Ibid

1.2 Average daytime footfall

Table 1d below summarises average monthly footfall changes showing the year on year percentage change across the style mile in Quarter 4, compared to the same period in 2009, ensuring a like for like trend comparison.

Table 1d[5]: Average Daytime Footfall Quarter 4 – January – March 2010



[5] Ibid

1.3 Nitezone footfall

Table 1e illustrates comparative Nitezone footfall figures across Quarter 4 for the last three years. Statistics collated relate to the number of weekend service users, sourced from Glasgow Community Safety Services' (GCSS) Taxi Marshalls at two taxi ranks in the city centre (Gordon Street at Central Station, and Sauchiehall Street).

Table 1e[6]: Nitezone Footfall January 2008 - March 2010

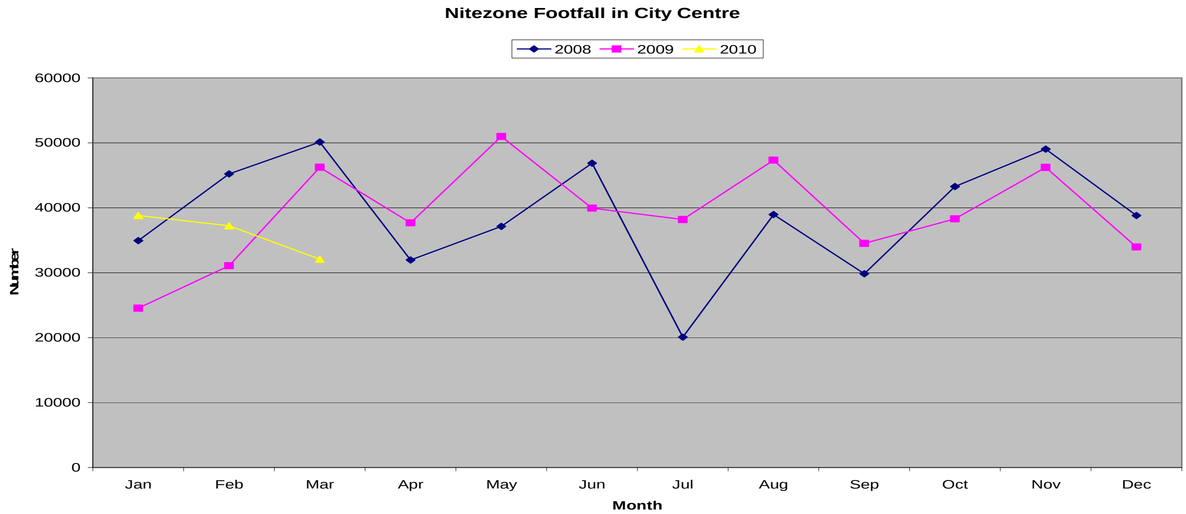
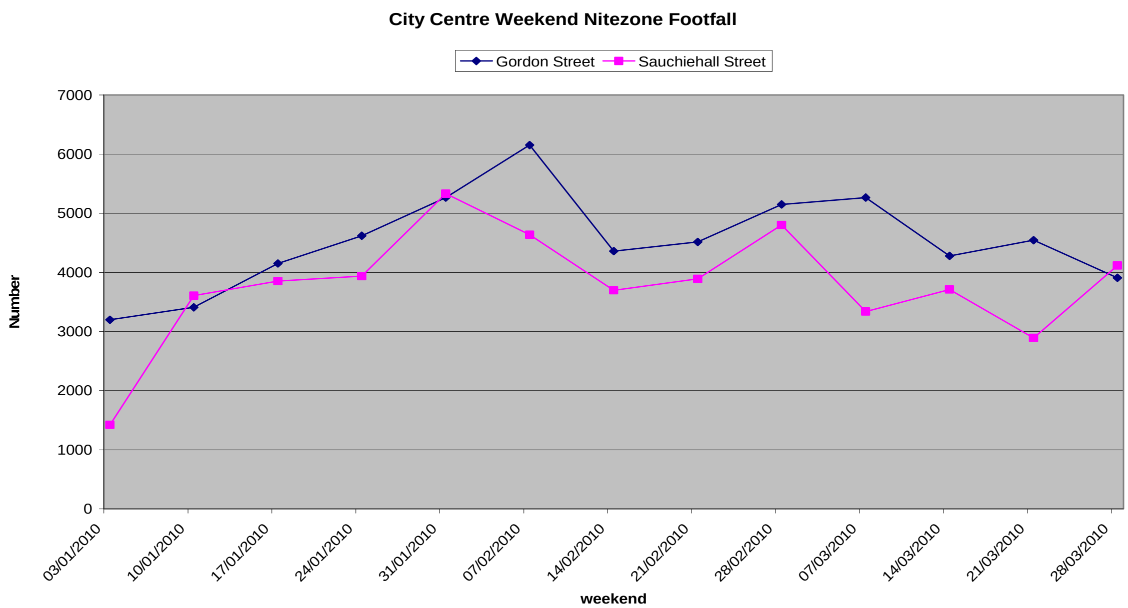


Table 1f illustrates weekend statistics for January 2010 – March 2010 at the two city centre Nitezone taxi ranks. The peaks can be attributed to public holiday weekends, and also on a four weekly basis attributed to pay weekends. January is usually a slow month following the spending increase at Christmas.

Table 1f[7]: Weekend Nitezone Footfall



[6] Glasgow Community Safety Services, January 2010
[7] Glasgow Community Safety Services, March 2010

1.4 SPT Footfall

Table 1f illustrates the footfall figures collated by SPT at Buchanan Street and St Enoch Subway stations. The data has been extracted from the End of Day Subway sheets. The figures only reflect the numbers boarding at Buchanan Street and St Enoch Subway Stations (i.e. those going through the barrier to start their journey). The results also show Buchanan Street consistently had the highest footfall figures.

Table 1f[8] Footfall for Buchanan Street & St Enoch Centre Subway Stations

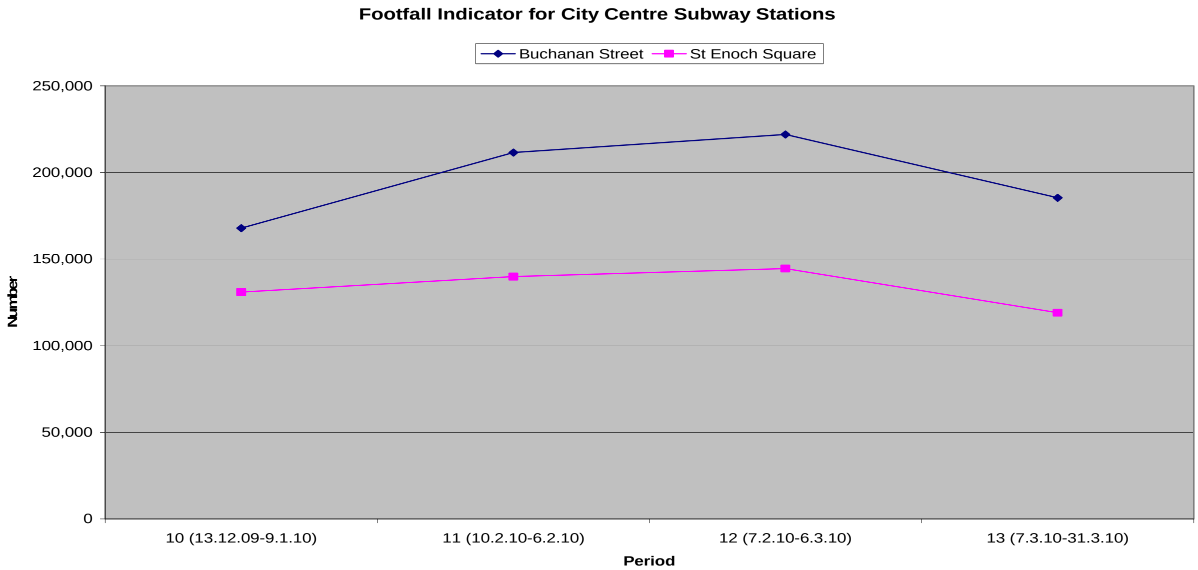
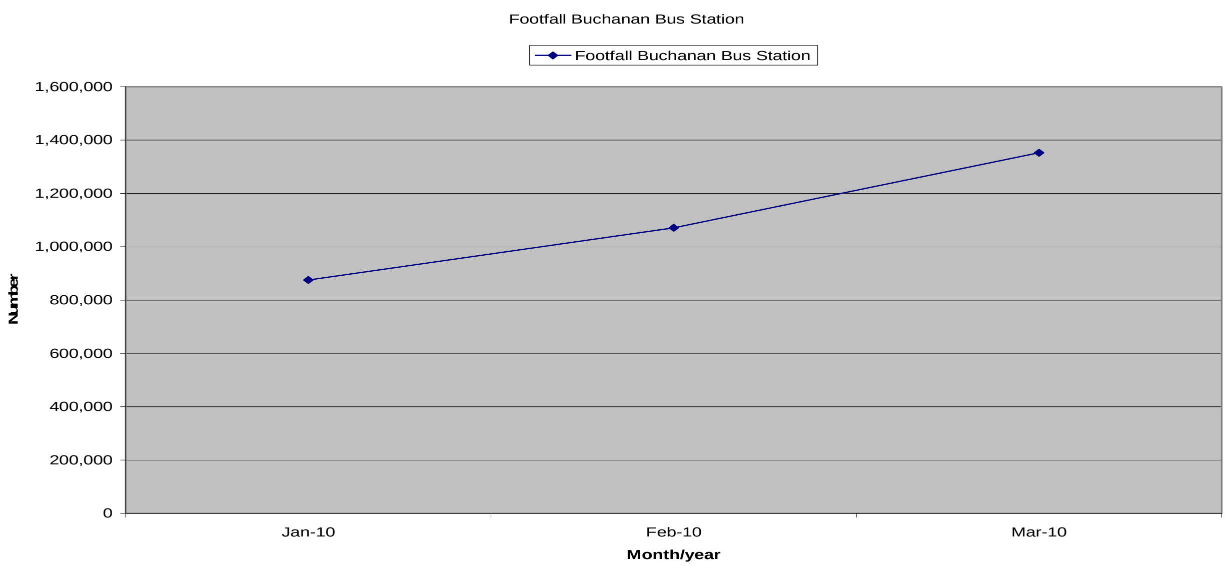


Table 1g illustrates the number of passengers using Buchanan Bus Station on a monthly basis. Whilst the chart would indicate numbers are steadily increasing it should be noted that data per month is collated in full weeks within the month and this should be taken into account when viewing the graph trend. The chart would indicate that numbers are steadily increasing.

Table 1g[9] Footfall – Buchanan Bus Station Q4 January 2010 – March 2010

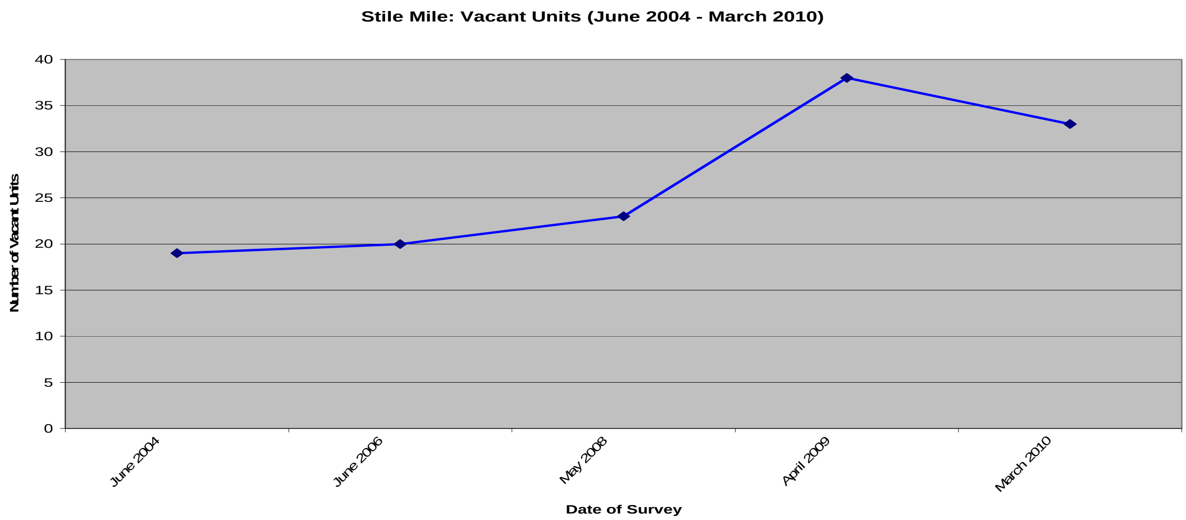


[8] SPT, March 2010
[9] ibid

2. VACANT UNITS (STYLE MILE)

Table 2a shows the number of vacant units recorded in the Style Mile over the period since the Council started collating reliable data. This demonstrates that the number of vacant units appears to have peaked in line with the credit crunch impact, however signs of recovery are evident with the numbers now starting to decrease.

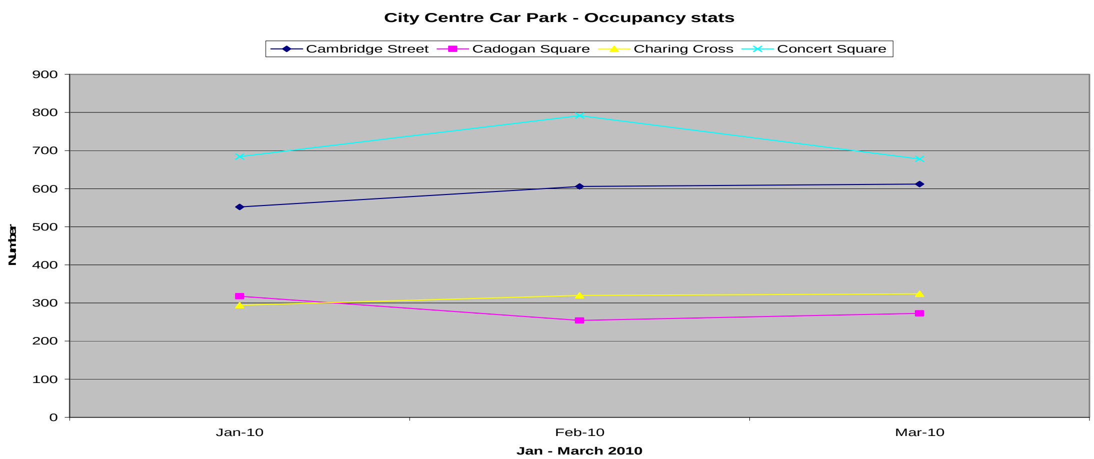
Table 2a[10]



3. CAR PARKING

Car parks owned by City Parking (Glasgow) LLP within the boundary of the city centre, include Cambridge Street, Cadogan Square, Charing Cross and Concert Square. **Table 3a** illustrates occupancy rates on the total number of vehicles per site per month. In general there has been a downturn in business for some time now and this is reflected across both private and public sector operators.

Table 3a[11]



[10] Glasgow City Council, DRS, City Plan Team, June 2010
[11] City Parking (Glasgow) LLP, March 2010

4. ENVIRONMENTAL INDICATORS

4.1 Street Cleanliness

Since Clean Glasgow was launched by Glasgow City Council in February 2007, independent street cleanliness surveys of the city centre have been commissioned by the Clean Glasgow team each year. These independent surveys are undertaken by the national environment agency, Keep Scotland Beautiful (KSB).

The area surveyed consists of approximately 167 street sites and the survey reflects the standard of cleanliness of these areas, achieved at the time of the survey and assessed in accordance with the Environmental Protection Act 1990 and its attendant Code of Practice on Litter and Refuse (Scotland) 2006. Criteria assessed include the general standard of cleanliness, sources of litter, types of litter, and Adverse Environmental Quality Indicators (AEQIs). The city centre is disaggregated into two zones: premier and outlying, and separately scored. Thereafter the scores are accumulated to produce the overall cleanliness index.

The overall cleanliness index scores to date:

- **64** in November 2009
- **66** in November 2008
- **66** in September 2007
- **62** in March 2007 (when Clean Glasgow was launched).

All areas have shown an upward trend in cleanliness other than the most recent survey in November 2009 which unfortunately demonstrated a fall in performance. This is attributed to the impact of two periods of industrial action, and the worst winter weather in several decades. However, it is a disappointing result and the Council is committed to ensuring the 2010 result returns to the previous rating.

It should be noted that a score of 66 for a high density urban city centre is at the highest end of the scoring range, and any achievement beyond this score is unlikely.

4.2 KPIs

Various indicators are collected at Community Planning level each month, for Clean Glasgow. A summary of those KPIs relevant to the city centre, and covering the period January to March 2010, are as follows:

• Square meterage of graffiti removed	5,017
• Square meterage of flyposting removed	88
• Fixed penalty notices for littering	814
• Number of school, community and business clean-ups undertaken	11
• Number of volunteers involved	343

4.3 Crime and antisocial behaviour

Table 4a provides some information on crime, incidents and antisocial behaviour (ASB) during the fourth quarter of 2009/10. It should be noted that the data is provided for the City Centre/Merchant City neighbourhood.

Table 4a[12]

Indicator	Quarter 4 2009/10 (Jan-Mar)	Quarter 4 2008/09 (Jan-Mar)	% change	
No. of violent crimes	586	678	-92	-14%
Reported incidences of ASB / Disorder	3347	3869	-522	-13%
Number of youth disorder incidents	174	242	-68	-28%
Recorded crimes / Offences of vandalism / Malicious mischief, etc	2032	1836	196	+11%

4.4 City Centre Ambassadors

Following its launch in August 2009, the style mile project funded a rebranding and retraining of GCSS Community Enforcement Officers (CEOs). The CEOs were trained with the "Glasgow knowledge" and in customer service skills, and uniforms were branded with the universal *"i"* sign, denoting an information source.

A recent survey was carried out to determine the most popular questions that City Centre Ambassadors are asked. This indicated the following:

Most frequently asked questions:

- Directions 24%
- Businesses 20%
- Shops 20%
- Transport 11%
- Tourist Spots 11%
- Others (Food, Police, Car parks, Pubs/Hotels, Toilets) 14%

Who asks the questions:

- Scots 51%
- English 14%
- USA 12%
- European 6%
- Asia 10%
- Others (Brazil, Asia, Australia) 7%

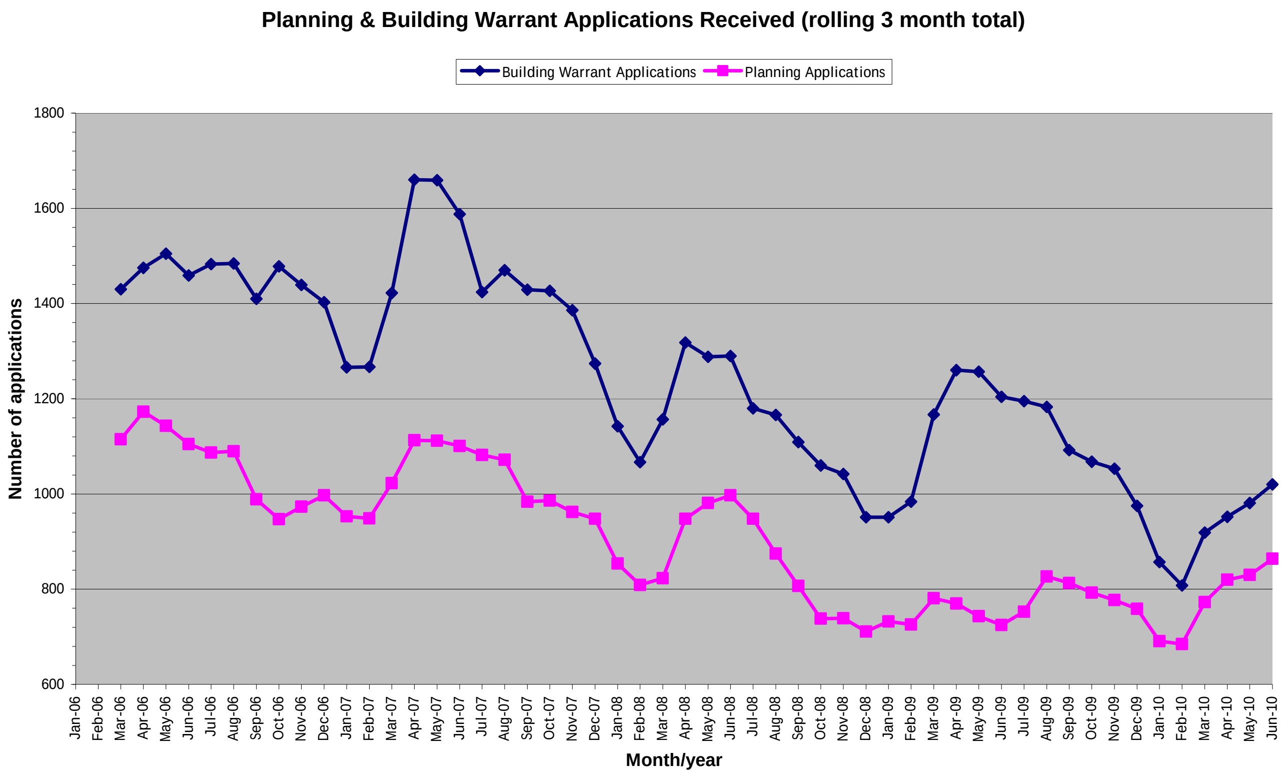
[12] Glasgow Community Safety Services , June 2010

5. PLANNING AND DEVELOPMENT

5.1 Monthly Planning & Building Warrant applications received, city-wide

Table 5a illustrates the number of Planning and Building Warrant Applications received on a rolling three month total. The volume of planning permissions granted in 2008/09 or earlier would suggest that the development industry continues to have confidence in Glasgow as an investment location. The city appears to be in a strong position to benefit from any upturn in development activity once current economic conditions become more favourable.

Table 5a[13]



5.2 Retail Development Activity

Glasgow City Council produces an annual development activity bulletin for each financial year, providing analysis of data relating to the value of private sector development in three main areas: development completed, development under construction, and development with planning permission but not yet started. This is assessed within five key sectors: industry, office and business, retail, hotel and leisure, and residential. This report focuses on retail development activity over the period of the most recent bulletin[14].

In the retail sector, no new developments were completed 2008/2009, resulting in a decline of £358m from the previous year when the Silverburn development opened. Residential, hotel and leisure development also fell, however the office and business sector saw an increase of £18.1m in the value of completed development which suggests these sectors are holding up well in the current economic climate.

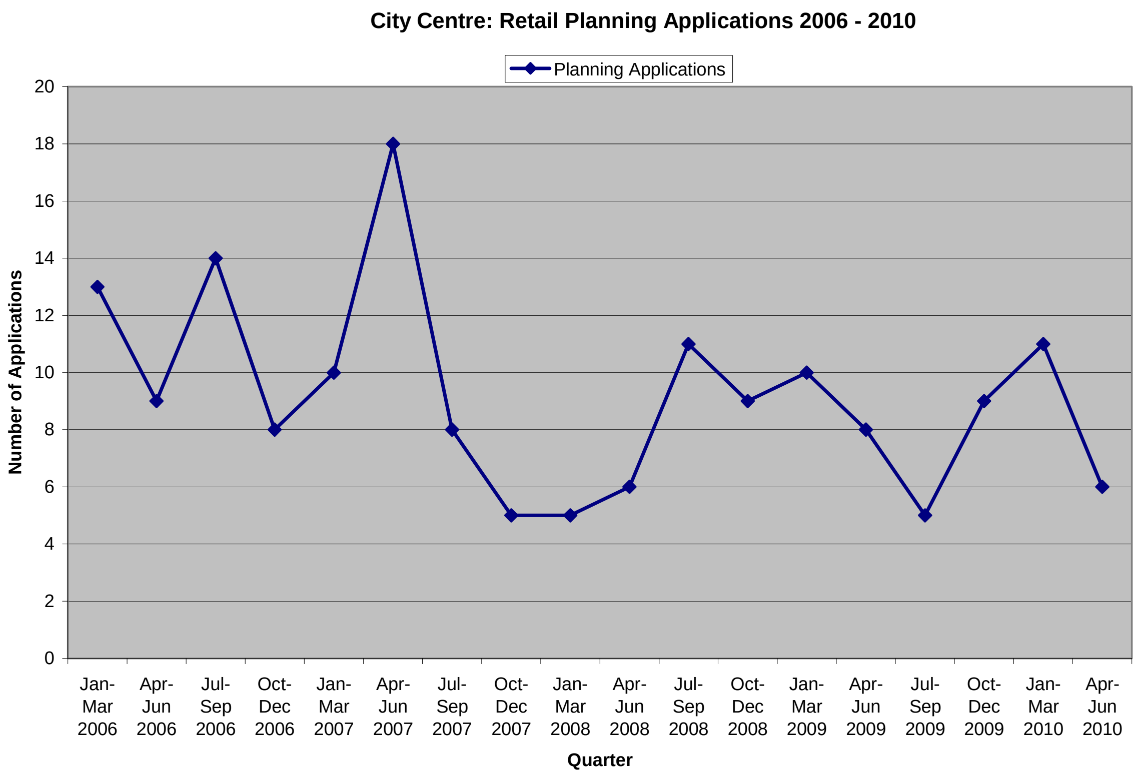
[13] Glasgow City Council, DRS, June 2010
[14] Glasgow City Council, DRS Development Activity Bulletin 2008/09 (Aug 2009)

However, since then the St Enoch Centre extension has been completed at a value of £100m which was the only development under construction in 2008/09. New developments to the value of £435m were granted planning permission; this consisted mainly of the 73,500 square metre Buchanan Galleries extension which is yet to start.

Overall, development activity in the city centre increased almost 40% between 2007/08 and 2008/09, from £981m to £1.36bn. Much of this increase can be attributed to a small number of large developments in the retail and hotel and leisure sectors obtaining planning permission during the year, rather than any significant difference in the value of developments that were either under construction or completed.

Table 5b illustrates the trends in City Centre Retail Planning Applications quarterly from 2006 – 2010. The number of applications has remained fairly consistent since the economic downturn began in 2008 albeit at a lower level than before the downturn. Within this broad trend there are seasonal fluctuations i.e. troughs during each October – December period for the last few years (accounted for by the fact that applications drop off severely in the run up to Christmas) and highs in the spring.

Table 5b[15]



15 Glasgow City Council, DRS, June 2010

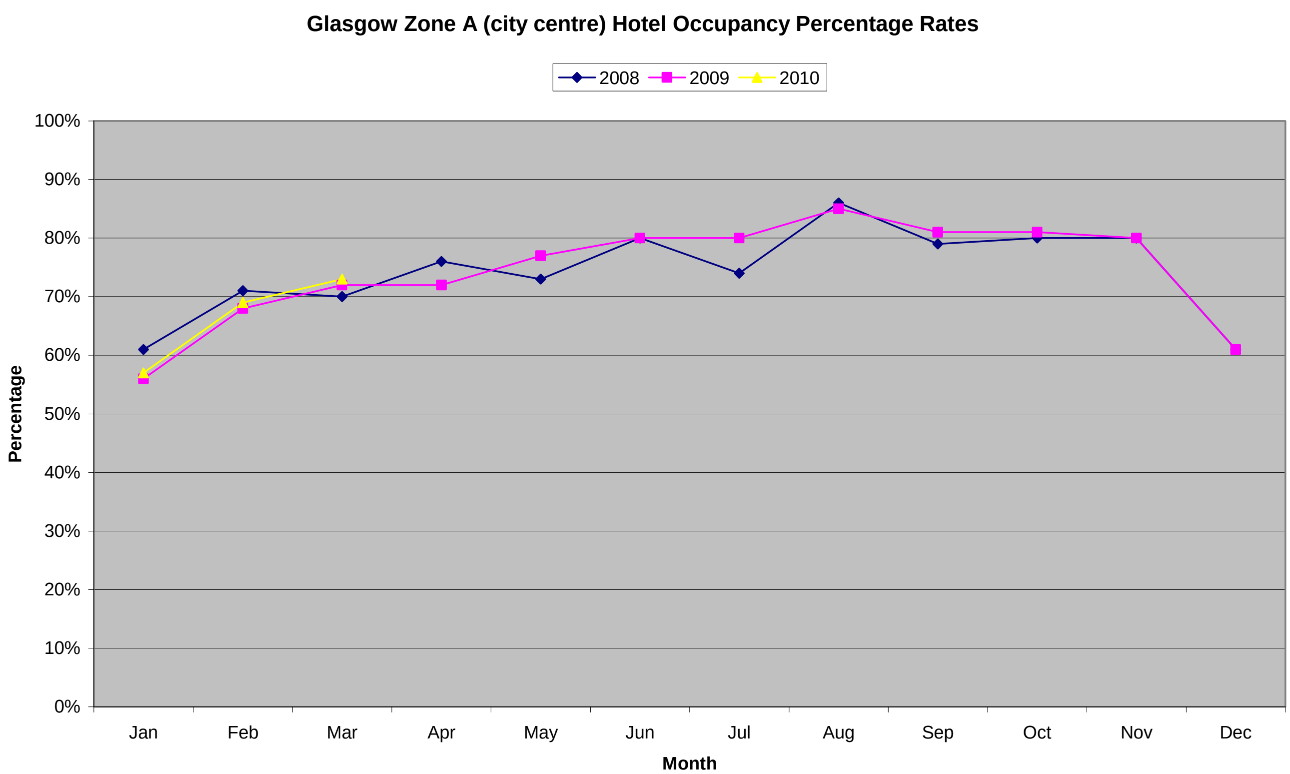
6. TOURISM

6.1 Glasgow Hotel Occupancy Rates: January 2008 to March 2010

This data is based on 22 city centre hotels and is extracted from monthly data provided by Lynn Jones Research Ltd for Glasgow City Marketing Bureau (GCMB). 2008 & 2009 both recorded identical dips for December, which is difficult to see from the chart because the 2008 trend line is hidden by the 2009 line as their statistics were identical. 2010 statistics up to March are continuing to follow the same trend line as 2009.

Glasgow has 2,200[16] hotel rooms available per day for occupancy and PKF's report illustrates that occupancy was up 2.5% for April 2010 to 72.4%, compared to same period in 2009.

Table 6a[17]



[16] PKF Accountants & Business Advisors Monthly UK Hotel Trends, April 2010
[17] GGHA City of Glasgow Forecaster – Zone A (provided by GCMB August/2010)

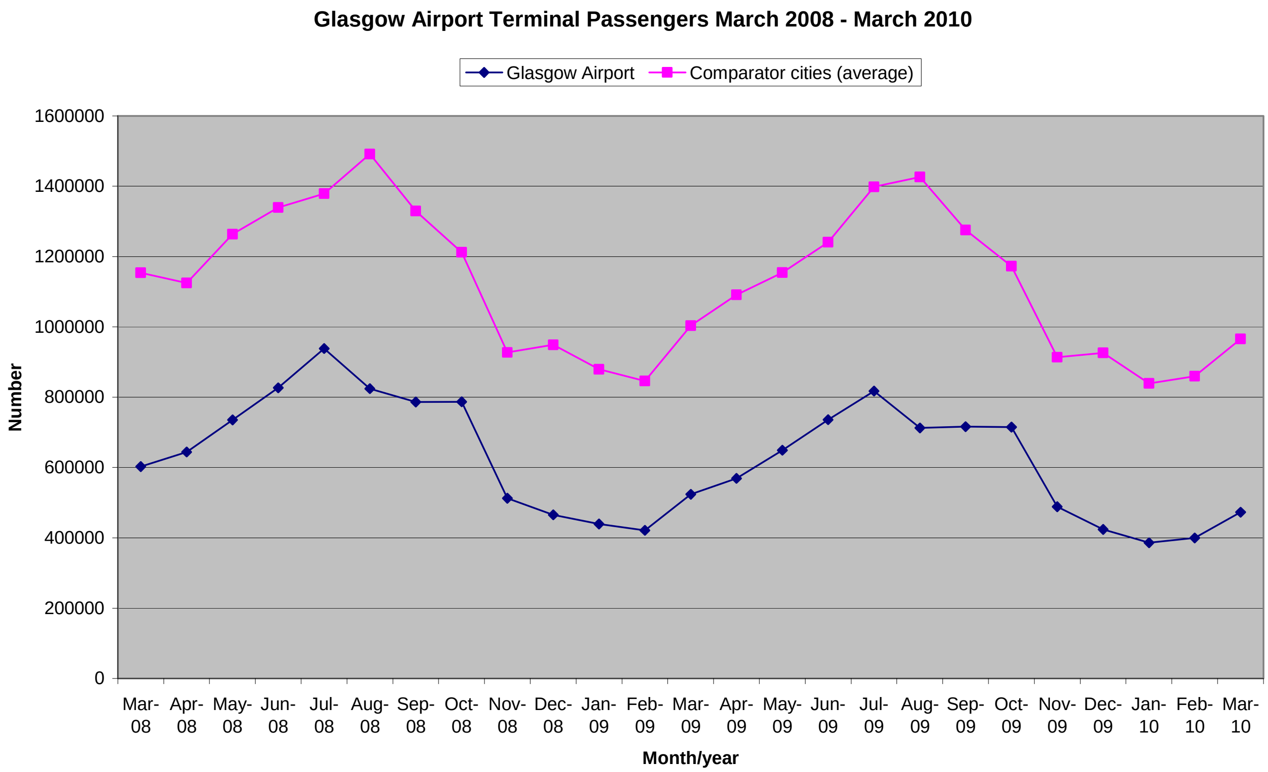
6.2 Glasgow International Airport: Passenger Numbers

Glasgow International Airport has seen sharp falls in passenger numbers since a peak of 8,820,462 passengers per year in 2006 to the lowest levels since 2000 of 7,077,676 passengers per year in 2009, down 13% on 2008 and down 20% on 2006 passenger numbers. It has seen the largest fall in business to North America with the seating capacity on flights dropping by more than a quarter this year, partly due to the collapse of Canadian carrier Zoom last year.

Table 6b illustrates the trend and includes average data from the following comparator cities which include Birmingham, Bristol, Cardiff, Edinburgh, Gatwick, Heathrow, Leeds, Liverpool, London City, London Luton, Manchester, Newcastle, Norwich and Stansted.

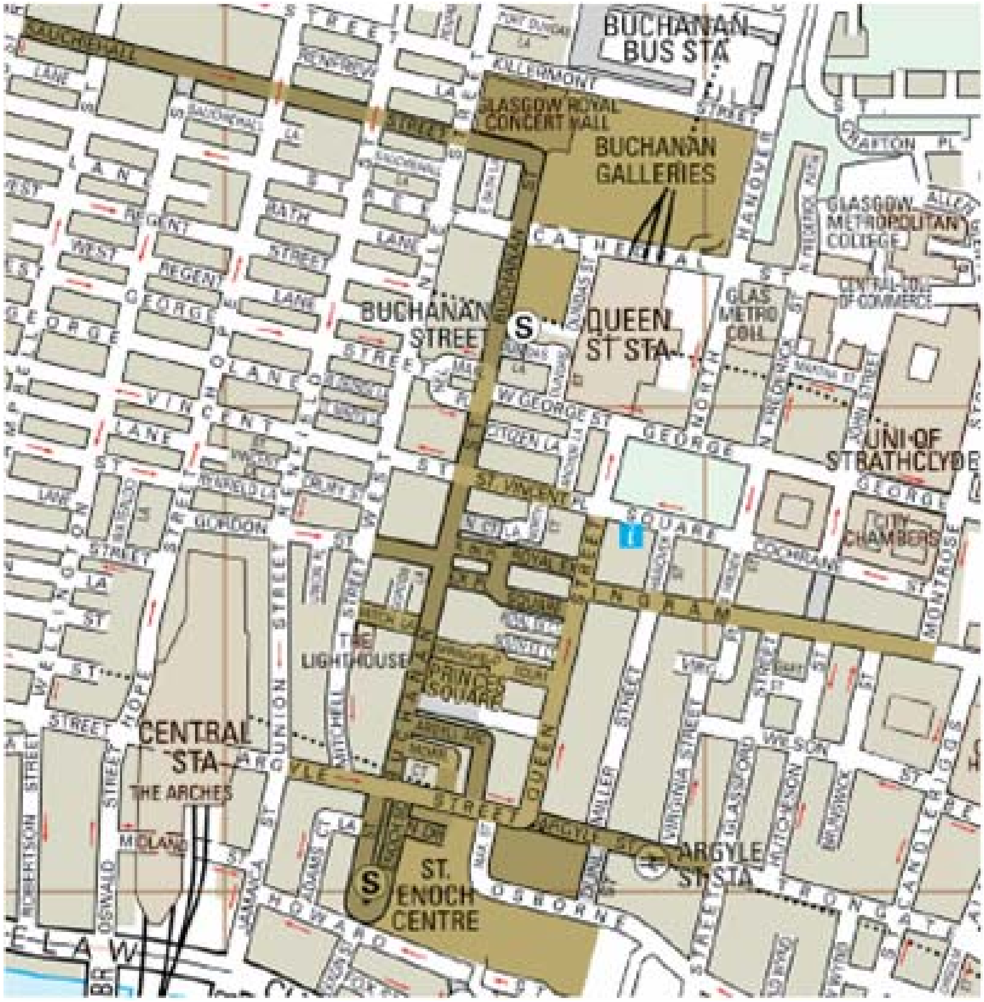
The table also illustrates the same pattern for Quarter 4 2010 as at Quarter 4 2009. Figures fell at the beginning of the year, start to increase through February and March and continue to rise as spring and summer approach. Early indications would suggest this is likely to be repeated for 2010 in the next quarter's figures – though the ash cloud problems may have impacted on terminal passenger numbers in Glasgow and all comparator cities.

Table 6b[18]



[18] Civil Aviation Authority, July 2010

Style Mile map© Glasgow City Marketing Bureau



Style Mile includes:

- Argyle Street - from Glassford Street to junction with Jamaica Street
- Buchanan Street - all
- Exchange Place - all
- Gordon Street - to junction with Mitchell Street
- Ingram Street - to junction with Montrose Street
- Mitchell Lane - all
- Queen Street - to junction with George Square
- Royal Bank Place - all
- Royal Exchange Square - all
- Sauchiehall Street - from Buchanan Street to junction with Rose Street
- St Enoch Square – all
- St Vincent Place – from Buchanan Street to junction with Anchor Lane
- Argyll Arcade
- Buchanan Galleries
- Princes Square
- St Enoch Centre

For further information please contact

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